Value chain actors facing increasing climate related risks

Climate change presents increasing risks to the production and trade in food and forest products.

Investors are pushing for increased disclosure of these risks in order to maintain long term value performance of companies. Understanding risks will also inform policy makers on strategies to build climate resilience in trade.

Farmers and agribusinesses along the value chain face hazards from climate change including rising temperatures and extreme weather events. These result in physical risks to their business competitiveness and livelihoods.

Climate change regulations to reduce GHG emissions will also impact suppliers in developing countries. New technologies will also emerge and consumer preferences shift. These changes present transitional risks for agribusiness as well as business opportunities in new markets for environmental goods and services.

Climate related opportunities are also growing

Despite the high costs of adapting to climate change, there are emerging market opportunities for climate change related goods and services as regulations and consumer preferences change in response to the climate crisis. Examples include adaptation goods and services that manage adaptation risks in the value chain, resource efficiency services and circular economy innovations.

Benefits for the user

1. Understanding of the climate related risks and their financial impacts on SMEs and farmers.
2. Pathways for policy makers build business resilience to climate change.
3. Overview of emerging climate-related opportunities for exporters of agriculture and forest products.
4. Menu of priority climate mainstreaming actions for project managers planning Aid for Trade projects.

How does the tool work?

CERA maps out the climate-related risks and opportunities through a literature review, analysis of trade and environment data and key informant interviews with agribusiness, farm organizations and policy makers.

FOR FURTHER DETAILS:
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